

Cultivating Change

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Kansas
Department of Administration
Administrative Services

Carol Foreman, Deputy Secretary
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Kansas Department of Administration
Administrative Services
2004 Annual Report

Each day, the Department of Administration strives to carry out its mission to provide quality services – responsibly; and fulfill its promise to satisfy customers with innovative, value-driven services. The work is not always easy, but the results are significant.

Over the past year we have continued to make progress in building our capacity as a facilitator of services. In doing that we have focused on providing shared services, continued to identify savings and efficiencies through improved business practices, and providing high quality customer service.

Whether it is collaborating with other agencies on personnel issues or harnessing the purchasing power of the state by working together as one enterprise, the Department of Administration is in the perfect position to have a tremendous impact on how state government does business.

Facts and Figures

Active Employees

January 05: 511

Budget

FY05: \$98,511,300

Divisions

Secretary's Office
Personnel Services
Accounts and Reports
Facilities Management
Purchases
Printing
Legal
Administrative Hearings

Shared Services

As the lead in providing essential services to state government, the Department of Administration is finding that more heads are better than one. In other words, the more we work together the more we can accomplish as a state. The following are just a few examples of how we are working with other agencies as a statewide team.

Statewide Purchasing – In the past, the approach to purchasing was to anticipate the needs of agencies, using the bid process to establish line-item contracts. This was done in an effort to *control* how agencies spent their monies, and was conducted with little regard for the administrative burden that contract management placed upon agencies. Now, our focus is on finding ways to help agencies *manage* their expenditures.

One of the ways to do this is by conducting bi-monthly contract development meetings to gain agency input into expiring contracts and high interest commodities and services. The meetings have become a major factor in the improved communication between The Division of Purchases and state agencies. Discussions include the renewal of contracts and how to improve them, presentations from key vendors and professional interaction between purchasing peers.

In addition, representatives from the Division of Purchases have attended meetings and conferences held by political subdivisions (school districts, counties, cities, etc.) to promote use

of state contracts. Better communication enables broader participation in savings and consolidation of purchasing power.

We are also focused on combining similar contracts into fewer consolidated agreements, taking advantage of economies of scale when possible. Below are examples of contracts where this has been effective.

- A new office supplies contract is awarded to Corporate Express, resulting in lower prices for contract users, resulting in substantial savings for all state government.
- Refuse Services contract for Topeka-based agencies results in \$29,000 of savings, as well as administrative efficiencies due to the elimination of 20 individual service contracts.
- Negotiations with Cartridge King lead to a 5 percent reduction in its prices on new Toner Cartridges. Estimated Savings: \$132,000.
- Additional negotiations with Fisher Scientific produced lower product costs for local Police, Fire and EMS providers through the Homeland Security/ODP Program administered by the Kansas Highway Patrol.
- A consolidated auto parts contract brought a portion of purchases back to Kansas vendors that previously were conducted out-of-state, and resulted in a projected savings of 13 to 18 percent.

Office Supplies

For years, the Division of Purchases bid an Office Supplies contract that contained 400 individual line items, awarded by group. The contract was awarded between three to six suppliers. Agencies placed multiple orders to meet their basic supplies needs. Minimum orders of \$100 were required to avoid freight costs. Contractors had 30 days to ship the products. It was estimated that the contract was valued at \$600,000 for the 400 items.

Today, we have built on a concept that began in 1999, where a single bidder was awarded the office supplies contract, offering discounts on a high-volume core list in addition to their entire catalog. There are no minimum order requirements and agencies receive their orders overnight in most cases. Costs are even more competitive now than with previous contracts. Fewer orders are placed, fewer orders are received, and fewer checks are cut, resulting in time that can be focused on other duties. Not to mention the savings!

- Members from the Purchasing Shared Services Team and Information Technology Management Council sought input from school districts, industry experts and state agencies, to create standard computer configurations, and negotiate lower computer prices with five computer contract vendors. Initiation of relationship and preliminary negotiations with Dell and HP lead to new and improved PC pricing for State, Regents, K -12, and other units of government.
- A new concept contract for computer software was awarded. Agencies using the contract will benefit from lower prices from consolidated volume license agreements, and will receive license management services at no additional cost.

- Partnered with the Information Technology Management Council on contract efforts related to PC's, toll-free numbers, Software, and other technology based contracts to find efficiencies and leverage buying power.
- Worked with various city and county law enforcement and correctional representatives to determine the feasibility of using the Minnesota Multi-State Contracting Alliance for Pharmacy (MMCAP) contract for pharmaceuticals to reduce the costs of medical care for inmates at local government facilities. One large county expects to save at least \$10,000 per month using the contract.
- Five janitorial service contracts for the Department of Labor Topeka area offices will be combined into a single contract during the re-bid process, resulting in administrative savings for Labor.
- Worked with the State of Washington, Motorola and the Western States Contracting Alliance (WSCA) to negotiate participation in a cooperative agreement for Public Communications Equipment, which will increase discounts for major communications systems upgrades planned within the state.

In addition to the above contract consolidations, a cross-agency Purchasing Process Review Team has invested considerable time in the analysis of purchasing processes and philosophies in an effort to produce additional administrative efficiencies and process improvements for agencies across the State.

Statewide Leasing – By working via Leasing Shared Services Team, guidelines on lease consolidation were implemented establishing principles (one-stop shopping for citizens of Kansas, economies of scale for agencies operations, and potential lease cost savings) and a process for carrying consolidations out. The goal was to provide one stop shopping to the greatest extent possible or practical for state services. Negotiations on five consolidations have been completed in Independence, Liberal, Phillipsburg, Winfield, and Colby. Consolidations are in process and pending in Atchison, Parsons, and Hays.

The State's leasing summary reports are now posted on the Department of Administration's website to provide greater access to this information for state agencies, legislators and the public.

The Lease Administration Fee was reduced from 8 cents to 3 cents per square foot. In conjunction with a decentralized responsibility and more decision making authority by a Leasing Team chaired and comprised of representatives from various state agencies it was possible to eliminate two positions from facilities management. Also underway is the creation of a Statewide Strategic Property Management Plan. This will allow decision makers to have a better understanding of what state property exists and where it is located.

Accounting Efficiencies – The division of Accounts and Reports assisted multiple agencies in streamlining various accounting functions throughout the past year. One example is the development of a process to submit STARS transactions by dataset rather than through on-line entry in STARS, which provided greater efficiencies for the agencies involved.

Collaboration on Human Resource Issues – If one is looking for a good example of group think, look no further than Human Resource (HR) professionals throughout state government. Whether it is sharing in the costs of advertising for state positions or working together on the Shared Leave program, the state's HR Community works as a team. Here are a few examples:

- HR directors are working together to build workforce capacity by leading their agencies' efforts to determine and emphasize core values and leadership behaviors. Regular meetings are conducted with small agencies, boards and commissions for informal training and support from their HR consultant and to share information, ideas, and experiences with their peers.
- The Shared Leave Program is now overseen by a committee comprised of 3 representatives from various state agencies, a representative from DPS and a support staff from DPS. All Cabinet agencies must submit shared leave requests to the committee for determination. Other agencies have also been encouraged to submit their shared leave requests. Proposed changes to the K.A.R.s will require all agencies to use the committee for shared leave requests. As of December 2004, 53 percent of the requests have been approved, 46 percent denied. This process has resulted in a more equitable program and savings to the state.
- A New Employee Orientation Web site was developed by a multi-agency committee including a representative from the Diversity Network. The Agency Resource Center Web site was also developed by a multi-agency committee and gives agencies the opportunity to share policies, forms, and other business-related items.
- In an ongoing effort, the State of Kansas is working toward using a centralized advertising approach where all agencies advertise as one state entity. Approximately \$50,000 has been saved by agencies since December 20, 2003, through advertising in the Topeka Capital Journal alone. A recent improvement makes it possible for agencies to submit requests through the internet for an ad to be placed on their behalf. This system creates the ad, calculates the cost and automatically bills the requesting agency through inter-fund transfer. No data entry is required and all accounting is automatically calculated and an inter-fund file is created.

Improved Business Practices

In an effort to improve our operations, it is important to constantly evaluate our business practices. Whether it is utilizing technology and less paper for system upgrades, or finding ways to operate better, cheaper, faster, the Department of Administration continues to identify savings and efficiencies. In many cases, we are operating with fewer people today than we had several years ago, while providing the same level of service. In several instances, we are providing better service, AND at no additional cost. Notable improvements include the following:

State Vehicles – A reduction in state vehicles, a moratorium on vehicle purchases, and the elimination of the state's dispatch vehicle unit, not only generated a wealth of savings, but is symbolic of the new mindset underway in the Department of Administration and state government. A new vehicle rental contract also garnered competitive daily rental rates, which equates to better travel-related savings.

By utilizing technology or other means to conduct business, meetings, etc., we have greatly reduced the cost of travel throughout the department.

Now that the state owns fewer vehicles, a process to consolidate vehicle information into a single data base is in place. It is now easier to locate vehicles, manage the collection and payment of registration tag fees, and review/approve agency requests for new vehicles. Agencies soon will be able to use the database to better manage information about their vehicles via the web.

Rightsizing – In order to operate as efficiently as possible, we are continuously evaluating the work we do and measuring it against the number of positions we hold open. Below are a few examples of where adjustments have been made.

- When a senior Staff Attorney resigned, the work was primarily absorbed into existing staff. The result was salary savings, as well as increasing the skills and job satisfaction of existing legal staff. This staff is also decreasingly dependent on clerical help. When the office manager found other employment, job duties were realigned. Even with the addition of a clerical person, an overall savings in clerical staff was achieved.
- In Facilities Management, one safety and security position, as well as a contracts position were no longer necessary, by having building managers assume these responsibilities. A reorganization of the Facilities Management Fiscal Section also occurred to better meet the staffing needs of this section based upon current focus and turnover that has occurred in the last year.
- The division of Accounts and Reports continues to maintain its service level while realizing a reduction in staff by not filling a vacated Accountant III position. Approximate salary and fringe cost savings is \$50,000 per year.
- The management structure of the Division of Printing was reorganized to provide more focused interaction with customer service and operations.

Less Paper – Throughout the department we are relying more on technology and less on paper. When possible, requests and responses are managed by e-mails or telephone calls, and a substantial number of forms and processes have been eliminated.

- The Legal division, as well as others throughout the department, continue to cut back on the number of bound publications received, as we move more to on-line research methods which are more efficient and less costly. They also utilize paperless filing, records, etc., whenever possible.
- Legal also provides less formal (and quicker) e-mail or telephone advice on matters that do not require a fully-researched legal memorandum. This has allowed them to take on more work, and seems to better meet the needs of our customers.
- The printing of numerous reports have been eliminated within Accounts and Reports, and are now available on-line. Eliminating the printed output has resulted in significant paper savings, savings in staff time printing and distributing the paper, a reduction in space required for report storage, and reduces staff time required to retrieve/access the report data when needed. Over \$30,000 in potential savings is realized by factoring in all of the above.
- The use of direct deposit is continuously encouraged. Paper pay advices at the University of Kansas Medical Center and Emporia State were eliminated this past year, with the University of Kansas ready to go online in late January 2005, an estimated savings of nearly \$97,000. A majority of employees in the Executive Branch of State Government have participated in direct deposit for over a year.
- The Audit Services Team is encouraging direct deposit for employee reimbursement of travel and other items. Since July 14, 2004, there have been 8,163 direct deposit authorizations (Form DA-130) added to the STARS Vendor File. Cost savings is roughly estimated at \$6,379.
- The State Self-Insurance Fund implemented a scanning process whereby all documents are imaged and paper is eliminated. While the process has been in place for only three months, approximately 12,400 documents have been scanned and electronically assigned to an adjuster for necessary action, claim file association and ultimately recall. This process reduces paper volume, improves filing accuracy and limits office file cabinet space requirements.
- The State Self-Insurance Fund (SSIF) has eliminated the production, copying, collating and mailing of paper payment vouchers for medical compensation payments to vendors. Since each of these payments already has an explanation of benefits (EOB) produced by its third party bill reviewer, the SSIF determined the state produced vouchers were actually duplication and did not add value. Typically support staff produces about 2,500 payments monthly. While the paper savings are modest, numerous staff hour savings associated with copy and distribution are avoided and can be diverted to other important work.

- New or modified personnel regulations and bulletins are now sent to agencies through e-mail and posted online, and whenever possible, requests and responses are managed by e-mail or telephone calls.

Surplus Property

- The department implemented a new state surplus property procedure to better facilitate the disposition of excess and surplus state property. Most significant is the local disposition authority provided to offices located outside Topeka, as well as additional flexibility for disposing of property valued at \$500 or less.
- Through an Internet Auction, a large quantity of outdated, surplus Herman Miller panels and hardware was sold, freeing up storage space. The sale price of \$5,000 included the successful bidder removing the furniture from our storage at no cost to the state.
- A combined live/Internet auction was held to reduce the inventory at State Surplus Property in preparation for moving to the State Complex West. The auction garnered \$150,651.

Contractor Pre-qualification – Through a Contractors Selection Task Force and the State Building Advisory Committee, a contractor pre-qualification system was established to help assure that problem contractors are identified, their deficiencies are addressed, and to provide a method for them to prove themselves before being allowed to bid on state jobs.

Contract Standards – The new standards provide a preference to those bidders who are providing minimum levels of health insurance, retirement benefits, and proper training to their employees.

Copy Equipment Consolidation – The Division of Printing re-examined its high speed copy equipment needs and renegotiated its contract with Xerox for a savings of \$185,400 per year from base quantity plus an estimated additional savings of \$64,000 of excess-copy charges. This action eliminated three high-speed copy machines from the previous agreement.

Energy Conservation Measures – In April 2003, conservation measures were employed in the Docking and Landon Buildings through the use of motion sensors, HVAC night setback, and modifying the operation of the steam plant. We have experienced \$512,966 in savings since implementation.

Streamlined Accounting Process – During the preparation of the FY 2004 Comprehensive Annual Financial Report (CAFR), opportunities to streamline processes were identified, including: simplifying the year-end agency confirmation and data gathering process; improving tracking and identification; and converting many of the Word tables into Excel “pictures” protecting them from unintended revisions and improving page formatting.

Customer Service

Because the Department of Administration feels strongly about providing quality services, responsibly, we understand the importance of satisfying our customers with innovative, value-driven services. If our customers do not find value in the services we provide, then we strive to find a better way to provide that service to them. That sometimes means certain services are no longer necessary at all. We continue to work with our customers to determine how to best meet their needs and support the efficient and cost-effective delivery of services throughout state government. Below are just a few ways that we are providing more value to our customers.

Increased Flexibility – Agencies know what their needs are better than anybody. To make it easier for them to make decisions on spending and other areas that affect their business, various limits have been raised to provide them more flexibility. Here are just a few.

- The delegated audit threshold was raised to \$5,000 from \$2,000 for agencies that felt this would best meet their needs. A total of 21 agencies have increased their threshold at this time.
- In November 2004, delegated audit training was provided to the University of Kansas Medical Center. All Regents institutions will soon be under the no limit delegated audit program.
- Business Procurement Card purchasing authority was raised to \$5,000 from \$2,000 for those who wanted an increase. Based on the needs of each agency, they can choose to increase any or all of their cardholder transaction limits to \$5,000.
- The "no bid" limit was raised from \$2,000 to \$5,000 for Regents institutions and cabinet level agencies to create efficiency for state agencies. This resulted in a significant reduction in purchase order voucher processing, which eliminated the need for two clerical positions.
- Implemented Facilities Planning fee structure change for the Board of Regents institutions to more appropriately recognize the costs of the services provided by the Division of Facilities Management. The new structure reflects the implication of project cost, project complexity, type of construction, and level of services provided.
- Allowed agencies to seek competitive bids for printing services. If a cheaper option is available, an agency may choose to utilize a private printing company.

Parking – A variety of changes have been made to the parking process to provide state employees, state agencies, and visitors with more flexibility.

- Since the spring of 2004, DFM Parking Administration has issued hangtag permits rather than parking decals. The hangtag system has reduced the number of parking appeals. The Parking Administration office now handles 2-3 parking appeals per month.

- Agency Boards and Commissions have the option to purchase “guest” hangtags at cost, making parking more convenient for board/commission members. If guest hangtags are used, DFM Parking Administration does not require license tag information and names for those who park in the lots to attend meetings.
- To make it more convenient for carpools and vanpools, Lot #8 has designated carpool and vanpool parking. Prior to July 2004, only Lot #1 had designated parking for these groups.

Customer Service Center – Continue to centralize customer service functions within the department. The Facilities Planning plan room, employee parking, security badges, and Statehouse scheduling were placed into one convenient location on the first floor of the Landon State Office Building. This reorganization has made it easier for customers to receive certain services from the department. The staff has gained a greater knowledge of department services through cross-training.

The Statewide Human Resource and Payroll (SHARP) Customer Service website has been enhanced by posting new guidelines and job aides that assist agencies in performing their SHARP-related work.

Enhanced the Online Employment Application process – Developed a centralized online source for agency email addresses that allows applicants the ability to attach resumes, cover letters and ask recruitment questions. This web page significantly improves communication with applicants.

Retirement Benefit Estimate – This process calculates an estimate of retirement benefits and the optimum retirement date, it then creates a printed report for the requesting employee.

New Hires Program – Created an automated program to notify the Kansas Department of Revenue (KDOR) of all new hires to the State of Kansas for compliance with the State’s Tax Clearance program. This results in saving agencies the responsibility of gathering the information. It also allows KDOR to receive only one electronic file instead of receiving over 100 individual reports from each State of Kansas agency.

Each day, employees throughout the department demonstrate commitment to providing shared services, improving business practices, and providing high quality customer service. We sincerely appreciate the efforts they make and the outcomes achieved.

*For additional information on the
Kansas Department of Administration, visit
www.da.state.ks.us*